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TO RUEHC/SECSTATE WASHDC IMMEDIATE 9320
INFO RUCNIRA/IRAN COLLECTIVE PRIORITY
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RUEHBUL/AMEMBASSY KABUL PRIORITY 0386
RUEHMIL/AMCONSUL MILAN PRIORITY 9064
RUEHFL/AMCONSUL FLORENCE PRIORITY 2733
RUEHNP/AMCONSUL NAPLES PRIORITY 2877
RUCNDT/USMISSION USUN NEW YORK PRIORITY 0816

S E C R E T SECTION 01 OF 02 ROME 002261

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ISN/CPI ANTHONY RUGGIERO, T, TREASURY, EUR, NEA

E.O. 12958: DECL: 10/29/2017
TAGS: [PREL](#) [KNNP](#) [IR](#) [AF](#) [YI](#) [IAEA](#) [MNUC](#) [PARM](#)
SUBJECT: AFTER JALILI/LARIJANI VISIT, ITALIANS SEE NO
SOFTENING OF IRANIAN POSITION

REF: A. ROME 2247
[1](#)B. ROME DAILY REPORTS 10/24-25/07

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Classified By: Ambassador Ronald P. Spogli for Reasons 1.4 (B) and (D)

[1](#)1. (C//NF) Summary: The GOI sees no softening of the Iranian position on nuclear enrichment after the October 23 visit of the Iranian nuclear negotiating team. Nevertheless, Italy sees Iran's agreement to continue talks with Solana as a sign of progress. The Ambassador told PM Prodi's Diplomatic Adviser Stefano Sannino that Italy was increasingly seen as the weak link on Iran and urged support for stronger sanctions. Sannino was skeptical about the effectiveness of sanctions on Iran and countered that Italy has not extended export credits to Iran for over a year and does not plan to do so. Later that day, the Ambassador called FM D'Alema to inform him that the USG had designated additional entities and individuals for targeted sanctions (Ref A). In a follow-up discussion, Italian Officials told Poloff that in separate meetings with the Iranian delegation on October 24, PM Prodi and FM D'Alema pressed for a full suspension of enrichment activities, which the Iranians resisted. Prodi told them that the earlier Italian offer, tendered in June 2007 (that Italy would support restarting negotiations if Iran would noticeably slow down its enrichment) was no longer on the table. Prodi and D'Alema told the Iranians they had "missed the boat" and now the only option on the table was complete suspension of enrichment in order to restart negotiations. End Summary.

Sannino: Italy Skeptical on Sanctions, Hopeful on IAEA Track

[1](#)2. (C//NF) The Ambassador met with PM Prodi's Diplomatic Adviser Stefano Sannino on October 25. He explained to Sannino that Italy is increasingly seen as the weak link on Iran, always at the weakest end on discussions of further sanctions. The Italians needed to start supporting a stronger sanctions regime. Sannino disputed the need to add sanctions, saying they should be really tough or they are not worth doing. He recalled being in Serbia under the sanctions regime and the adverse impact they had on gasoline, electricity, and food supplies. Sannino said that the talks between EU HR Solana and former lead Iranian negotiator Ari Larijani and Deputy FM Saeed Jalili on October 23 had moved

things forward a bit towards progress at the IAEA. He commented that Larijani had done all the talking; Jalili had not said a single word. Sannino confirmed what the SACE (the GOI Export Credit Agency) head told the Ambassador a few days ago - no export credits were extended to Iran this year and none are planned to be extended. Later that day, the Ambassador called FM D'Alema to inform him of the USG decision to add new entities and individuals to the sanctions list (Ref A).

Prodi: Iran Has Missed the Boat, Italian Offer no Longer on Table

13. (C//NF) The MFA Iran Desk Officer Lorenzo Kluzer told Poloff that PM Prodi had been firm with the Iranian delegation during their October 24 meeting. Prodi told them that the Italian offer (that Italy would support restarting negotiations if Iran would noticeably slow-down its enrichment), tendered in June 2007, was no longer on the table. Prodi and D'Alema told the Iranians they had "missed the boat" and now the only option on the table was complete suspension of enrichment in order to restart negotiations. Prodi suggested that if Iran wanted to save face it could condition its agreement to cease enrichment on an immediate start to negotiations on the nuclear issue, or limit the suspension to three months and then reevaluate. However, Prodi emphatically insisted on full suspension of enrichment. The Iranians continued to reiterate that stopping enrichment was not an option, though they showed willingness to slow down. Commenting on a press article quoting D'Alema as offering "a negotiating framework to the Iranian delegation," Kluzer insisted that Prodi and D'Alema's offer was entirely in line with the EU position, and not an "Italian proposal."

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14. (S//NF) In a follow-up discussion, PM Prodi's Middle East Adviser Marco Carnelos told Poloff that the Larijani/Jalili meetings had yielded progress on the IAEA front. He said that during the meetings with Solana on October 23, and subsequently on October 24 with Prodi and D'Alema, Larijani (whom Carnelos characterized as "the man in charge" because Jalili was silent the entire time) told Prodi and D'Alema that even though Iran had not yet ratified the additional protocol, it was implementing it fully and going further in some instances. Prodi and D'Alema had reminded Larijani that if Iran has a deal with the IAEA it must be implemented fully and on-time, and that IAEA cooperation alone is not enough: it must be accompanied by full suspension. Larijani responded with a "no". He said Iran had already tried the suspension track in 2003 "but it didn't get us anywhere" and "we won't repeat this." Larijani then said they could agree to the international community's somehow limiting the number of "additional" centrifuges. D'Alema and Prodi responded that this was unacceptable.

15. (S//NF) Carnelos said that the fact that they agreed to meet with Solana again in a month was a positive step. He said the GOI was in no position to judge Larijani's claims concerning IAEA cooperation but that El Baradei would be and his upcoming report should shed light on the matter. In response to the additional U.S. designations, Carnelos said the Iranians might see this as a "provocation" and be inclined to respond by increasing tensions. Either way, he was not convinced sanctions would have a positive effect.

Iranian Interference in Iraq

16. (S//NF) Carnelos said he had talked to "one of them" (presumably Larijani) about Iraq, urging Iran to stop meddling in Iraqi affairs and stop supporting militias who were killing U.S. soldiers. His Iranian interlocutor

responded by asking why the U.S. does not designate the actual Shia militias in Iraq as "terrorists" instead of the Iranian government authorities suspected of supporting these groups, implying that these groups were actually not supported by Iran.

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